

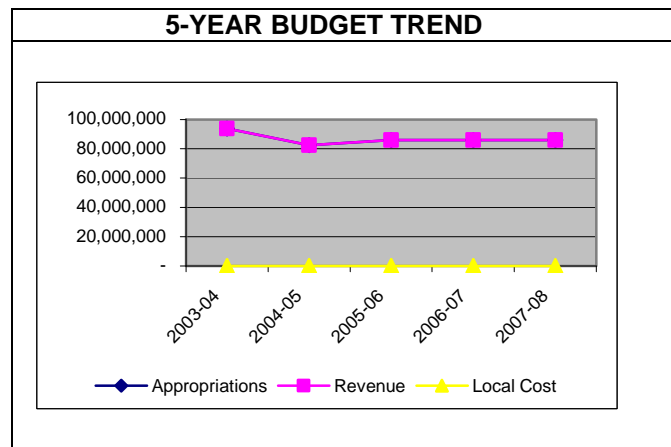
## Entitlement Payments (Childcare)

### DESCRIPTION OF MAJOR SERVICES

All childcare programs administered by the Transitional Assistance Department (TAD) are budgeted within this unit. This expanded program is one of the major programs of federal welfare reform and the resulting state CalWORKs program. The expanded programs are intended to fund childcare for CalWORKs recipients who are seeking employment or have obtained employment and continue through employment stabilization for a period of up to two years. This budget unit also incorporates the program that funds childcare for families in which the child is under the auspices of the Department of Children's Services and is at risk of parent abuse or neglect.

There is no staffing associated with this budget unit.

### BUDGET HISTORY



### PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Estimate
Appropriation	83,601,688	81,065,438	79,183,003	85,905,228	77,120,203
Departmental Revenue	83,601,688	81,063,581	79,182,742	85,905,228	77,120,203
Local Cost	-	1,857	261	-	-

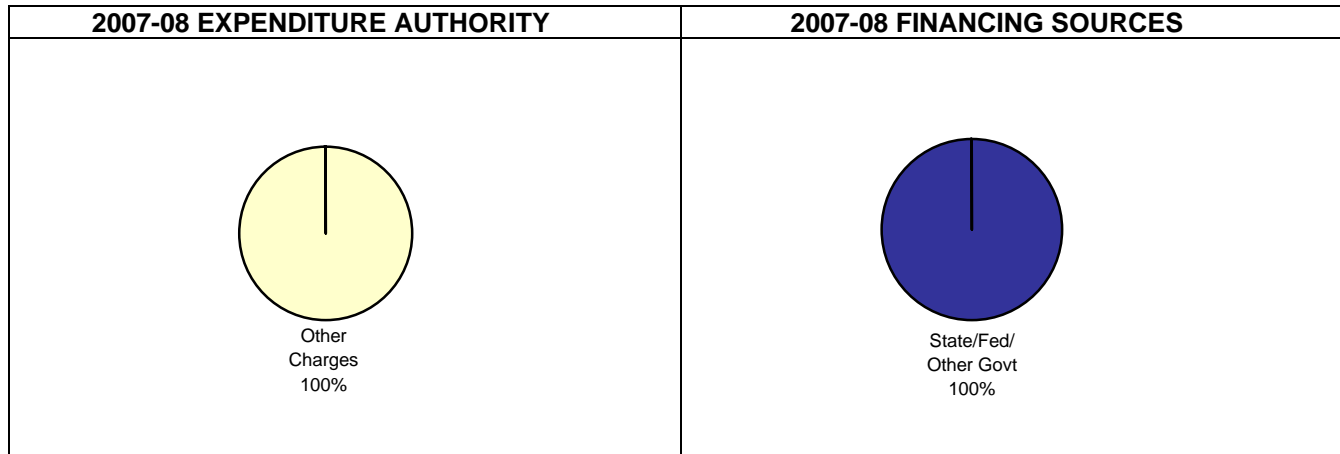
Funding impacts to the childcare programs made as a result of the state's final budget will require the department to manage childcare caseload so as to remain within the expenditure limitations of the allocations received from the state. Historically, information regarding allocations is received from the state in the latter part of the first quarter of the new fiscal year.

Actual allocation/grants in 2006-07 were higher than budgeted. In July 2006, the California Department of Education (CDE) released the allocations to the counties for Stages 2 & 3, and alternative payment programs (APP). In August of 2006, the department presented to the Board these 2006-07 allocations. In February 2007, the department received an allocation augmentation from CDE of \$537,875 for the CalWORKs Alternative Payment Program (APP), which was presented to the Board on March 13, 2007 (Item #56). In March 2007, the department received an allocation reduction of 1.1 million in Stage 3 and will present it to the board in April. The augmentation and reduction is due to caseload changes within the two programs.

Projected expenditures are under appropriation and allocation by \$8.8 million due to changes in legislation that decreased the allowable amount reimbursed to childcare providers and the timing-out of recipients who have reached their five (5) year limit for receiving aid.



## ANALYSIS OF PROPOSED BUDGET



GROUP: Human Services  
DEPARTMENT: Entitlement Payments  
FUND: General

BUDGET UNIT: AAA ETP  
FUNCTION: Public Assistance  
ACTIVITY: Aid Programs

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
<b>Appropriation</b>							
Other Charges	83,601,688	81,065,438	79,183,003	77,120,203	85,905,228	85,905,228	-
Total Appropriation	83,601,688	81,065,438	79,183,003	77,120,203	85,905,228	85,905,228	-
<b>Departmental Revenue</b>							
State, Fed or Gov't Aid	83,601,688	81,063,581	79,182,742	77,120,203	85,905,228	85,905,228	-
Total Revenue	83,601,688	81,063,581	79,182,742	77,120,203	85,905,228	85,905,228	-
Local Cost	-	1,857	261	-	-	-	-

Other charges of \$85.9 million represent payments to childcare providers. For 2007-08, the department expects to maintain the childcare budget at the current funding level. Based on projections of the 2007-08 state budget, childcare levels are expected to increase in the federally funded Stage 1 CalWORKs childcare program.

Childcare provider payments are 100% federal and state funded through reimbursements by the state. Overall federal/state funding levels in the California Department of Education's program are expected to decrease to offset funding increases anticipated in Stage 1 childcare.

